Department of the Interior, Bureau of Land Management

Roswell Field Office
2909 W. Second Street
Roswell, New Mexico 88201

Projects: George "QJ" Federal Com. #12 - Pipeline
Locations: Sections 26 & 35, T. 6 S., R. 25 E.
Applicant: Yates Petroleum Corporation
Roswell Field Office: (505) 627-0272

EA Log Number: NM-510-07-35
Lease Serial Number: NM-10588
File Code: 3160

Finding of No Significant Impact

Impact identification and analysis of approving the project proposal and/or alternative(s) has been completed. A complete and comprehensive environmental analysis has been conducted. Completion of the environmental assessment, along with implementation of required stipulations and/or mitigating measures outlined in the environmental assessment and Application for Permit to Drill (APD) conditions of approval, will result in (projected) impacted resources values being restored to pre-project conditions and/or acceptable post-project standards. Further analysis in an environmental impact statement is not needed.

Decision Record

Based upon the analysis, the proposed **surface pipeline** for the **George "QJ" Federal Com. #12** well, located in Section 26, T. 6 S., R. 25 E., 990' FSL & 660' FWL, is approved. This decision incorporates mitigation measures outlined in the environmental assessment, lease stipulations and the STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN THE ROSWELL FIELD OFFICE, BLM, which will mitigate the unavoidable long and short-term impacts of this action.

The Bureau of Land Management's approval of the APDs does not relieve the lessee and operator from obtaining required authorizations from the private surface owner.

Rational: The amount of new long-term disturbance will be limited to the life of well. Short-term impacts will last approximately one growing season or until there are successful plant growth on the rehabilitated portions.

The Bureau of Land Management staff has reviewed the environmental assessment and identified site-specific mitigation measures to avoid or minimize surface impacts resulting from the construction of these projects. The well pads and access roads will remain as long term impacts. The pipeline will remain as short term impacts for the life of the well. The cumulative impacts to the environment from existing and new development have been identified. During construction activities, machinery emissions, disturbed ground, drilling and construction equipment will result in short-term visual impacts. These impacts will be minimized by a rapid construction schedule and site restoration.

The Bureau of Land Management has developed a visual resource management (VRM) classification system designed to enhance visual qualities and describe degrees of modification to the landscape. The proposed project areas are classified as a class IV VRM. The IV VRM allows for major modifications of the existing landscape and the level of change in the basic landscape from his management level can be high.

A cultural and historic resource category 3 inventory was conducted on the 24th of August and 5th of September, 2006. A total of 21.82 acres of Federal land was inventoried for the proposed George "QJ" Federal Com. # 12. No sites were recorded that could be impacted. Standard stipulations will be required on the project. See Cultural Resource Stipulations attached to the APD. A cultural clearance was granted on Sept. 11, 2006.

The operator would be allowed to drill the well as part of the further development of, and in accordance with, terms of their Federal lease.

A bond is required for all Federal leases. The bond must guarantee performance and compliance with the lease terms and cover all liabilities arising from, or related to drilling operations on a Federal lease including the restoration of any lands or surface waters adversely affected by lease development.

Production history in the Permian Basin has demonstrated that there are no unique or unknown risks. The effects of oil and gas exploration and production are known, and based on experience, mitigation measures and stipulations have been developed to avoid, minimize or eliminate impacts.

The effects on the human environment have not been controversial in the past and the public has not voiced opposition to new wells being drilled in the areas.

Secondary effects on soils, erosion, vegetation, cultural resources, wildlife habitat, and recreation resources were considered. Partial reclamation will occur during the production phase and full reclamation will occur after final abandonment of each well. Residual impacts that remain after mitigation measures and implemented are found acceptable.

These proposed actions are in compliance with the Roswell Resource Management Plan and Final Environmental Management Plan that was approved October 10, 1997. These plans have been reviewed to determine if the proposed action conforms with land-use planning terms and conditions required by 43 CFR 1610.5. County and local planning: No land-use planning or zoning exists in Chaves County that will affect these actions.

Stipulations

Mitigating measures were considered and analyzed in the Environmental Assessment. Based on impact analysis, specific stipulations and/or mitigating measures have been selected and are attached to the approved APD which now includes the STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN THE ROSWELL FIELD OFFICE, BLM. The applicant is responsible for implementing these mitigating measures to prevent and/or reduce impacts projected to occur during and after project completions.

Administrative Review and Appeal: Under BLM regulations, this Decision Record (DR) is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this DR must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, 1474 Rodeo Road, Santa Fe, NM 87505, no later than 20 business days after this DR is received or considered to have been received.

Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.

Prepared by:
/s/Richard Hill 1/24/07
_____Date_____
Environmental Protection Specialist

Approved by:
/s/Larry D. Bray 1/24/07
_____Date_____
Assistant Filed Manager, Lands & Minerals

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE

ENVIRONMENTAL ASSESSMENT # NM-510-06-35 FOR
George "QJ" Federal Com. #12 - Pipeline

1.0 Introduction

Yates Petroleum Corporation has filed a Sundry Notices And Reports On Wells (Form 3160-5) application for an on lease pipeline to connect the George "QJ" Federal Com. #12 gas well to the flowline tie in point in the George "QJ" Federal #10 well pad and both wells are in Section 26, T. 6 S., R. 25 E..

This site-specific analysis tiers into and incorporates by reference the information and analysis contained in the Roswell Resource Area Proposed Resource Management Plan Final Environmental Impact Statement (PRMP/FEIS). This document is available for review at the Roswell Office. This project EA addresses site-specific resources and/or impacts that are not specifically covered within the PMP/FEIS, as required by the National Environmental Policy Act of 1969 (NEPA), as amended (Public Law 91-90, 42 U.S.C. 4321 et seq.).

1.1 Purpose and Need

The purpose for the proposal is defined and would produce natural gas on one or more valid Federal and gas mineral leases issued to the applicant by the BLM. It is the policy of the BLM to make mineral resources available for disposal and to encourage development of mineral resources to meet National, regional, and local needs. The Mineral Leasing Act of 1920 (MLA), as amended [30 USC 181 et seq.], authorizes the BLM to issue oil and gas leases for the exploration of oil and gas, and permit the development of those leases. The existing lease is a binding legal contract that allows development of the mineral by the applicant. An approved Application for Permit to Drill (APD), issued by the BLM, would authorize the applicant to construct and connect the proposed flowline to the wells.

1.2 Conformance with Applicable Land Use Plan and Other Environmental Assessments

Pursuant to 40 Code of Federal Regulations (CFR) 1508.28 and 1502.21, this site-specific EA tiers to and incorporates by reference the information and analysis contained in the Roswell Resource Area Proposed Resource Management Plan/Final Environmental Impact Statement (PRMP/FEIS, BLM [January 1997]), which was approved as the Final Resource Management Plan for the Roswell Field Office (RFO) of the BLM by the Record of Decision (ROD) signed October 10, 1997. The PRMP/FEIS and ROD are available for review at the Roswell Field Office, Roswell, New Mexico. This EA addresses the resources and impacts on a site-specific basis as required by the National Environmental Policy Act (NEPA) of 1969, as amended (Public Law 91-90, 42 USC 4321 et seq.). The proposed projects would not be in conflict with any State, local, or county plans.

1.3 Federal, State or Local Permits, Licenses or Other Consultation Requirements

Under Section 402 of the Clean Water Act (as amended), the U.S. Environmental Protection Agency (EPA), was directed to develop a phased approach to regulate storm water discharges under the National Pollutant Discharge Elimination System (NPDES) program. Industrial activities disturbing land may require permit coverage through a NPDES storm water discharge. Depending on the acreage disturbed, either a Phase I industrial activity (5 or more acres disturbance) or a Phase II small construction activities (between 1 and 5 acres disturbance) permit may be required. Additionally, an U.S. Army Corps of Engineers Section 404 permit for the discharge of dredge and fill materials may also be required. Additionally, a New Mexico

Surface Water Quality Bureau 401 certification may also be required under a U.S. Army Corps of Engineers Section 404 permit. Operators are required to obtain all necessary permits and approvals prior to any disturbance activities.

Roswell Field Office staff reviewed the proposed action and determined it would be in compliance with threatened and endangered species management guidelines outlined in the 1997 Biological Assessment (Cons. #2-22-96-F-102). No further consultation with the U.S. Fish and Wildlife Service is required.

Compliance with Section 106 responsibilities of the National Historic Preservation Act are adhered to by following the BLM – New Mexico State Historic Preservation Officer protocol agreement, which is authorized by the National Programmatic Agreement between the *BLM*, the *Advisory Council on Historic Preservation*, and the *National Conference of State Historic Preservation Officers*, and other applicable BLM handbooks.

Additionally, the Operator is required to:

- Comply with all applicable Federal, State and local laws and regulations.

- Obtain the necessary permits for the drilling, completion and production of these wells including water rights appropriations, the installation of water management facilities, water discharge permits, and relevant air quality permits.

- Certify that a Surface Use Agreement has been reached with private landowners where required.

2.0 Alternatives Including the Proposed Action

2.1 Alternative A - No Action

The BLM NEPA Handbook (H-1790-1) states that for EAs on externally initiated proposed actions, the No Action Alternative generally means that the proposed activity will not take place. This option is provided in 43 CFR 3162.3-1 (h) (2). This alternative would deny the approval of the proposed application, and the current land and resource uses would continue to occur in the proposed project areas. No mitigation measures would be required.

Under the terms of valid Federal mineral leases, the lessee has the right to develop mineral resources. Other laws, regulations, and policy include provisions for the economic development of existing leases. By Federal law, the government must abide by the terms, conditions, and provisions agreed to when leases were issued. In the Council of Environmental Quality regulations (40 CFR 1500.3), it states that parts 1500-1508 of this title provide regulations applicable to and binding on all Federal agencies for implementing the procedural provisions of the National Environmental Policy Act of 1969…" except where compliance would be inconsistent with other statutory requirements".

The No Action Alternative is presented for baseline analysis of resource impacts.

2.2 Alternative B Proposed Action

Yates Petroleum Corporation submitted a Sundry Notices And Reports On Wells (Form 3160-5) application on 12/7/06 for an on lease pipeline to connect the George "QJ" Federal Com. #12 gas well to the flowline tie in point located on the George "QJ" Federal #10 well pad.

1. **Sundry Notices and Reports on Wells**; was utilized for the on-lease surface pipeline proposal and for

the related appurtenance. The pipeline construction would include; lying approximately 1200 feet of surface pipeline, 25 feet from the centerline of the new access road, using the outer edge of the road as a corridor or pipeline route. The pipeline would parallel the south side of the new road until it reaches the tie in point flowline on the George “QJ” Federal #10 well pad. The pipeline would be buried 48 inches deep under all road crossings and a trencher (ditch digging machine) would be used to construct the pipeline trench under all road crossings. The construction of approximately 1200 feet of surface pipeline would disturb 0.3 acre. The tie-in point of the 3 inch diameter polyethylene pipeline is in Section 26, SW¼SE¼SW¼, T. 6 S., R. 25 E..

Proposed Well Information:

Well Name	Number	Township	Range	Section	Lease Number	Date Lease Issued
George “QJ” Federal Com.	12	6	25	26	NM-10588	10/16/69

County: Chaves

Applicant: Yates Petroleum Corporation

Surface Owners: Bureau of Land Management – George “QJ” Federal Com. #12

2.3 Alternative C

Modifications, or alternatives, to the original proposal received from the operator, were identified as the result of the preapproval onsite inspection(s) (7/10/06). At the on-sites, all areas of proposed surface disturbance were inspected to ensure that potential impacts to natural resources would be minimized. Changes were made as described below to alleviate or minimize environmental impacts. These changes may include the following: rerouting of access roads; and moving, modifying, mitigating, or dropping from further consideration well locations, pipelines, discharge points and other water management control structures. Alternatives to the different aspects of the proposed action are always considered and applied as preapproval changes, site specific mitigation and/or Conditions of Approval, if they will alleviate or minimize environmental impacts of the operator’s proposal. The specific changes identified for the George "QJ" Federal #12) are listed below under 2.3.1:

2.3.1 Changes as a result of the on-sites:

The proposed surface pipeline will follow the changes to the road as described below.

The George "QJ" Federal #12 well’s access road was rerouted. The rancher preferred that the operator utilize the existing access road from the George "QJ" Federal #10 well pad and continue from there for 1281.1 feet and from east to west to the southeast corner of the George "QJ" Federal #12 well pad. The rancher’s preference for rerouting the access road was to keep the Cottonwood County road from being opened up more then is absolutely necessary. The length of road from either direction is not any longer than the preferred road route.

A slight road modification was made on the George "QJ" Federal Com. #13 because of an archaeological site that needs to be avoided. The road will curve into the well pad from approximately 535.2 feet before it reaches the southwest corner of the well pad and the curve will be on the south side of the original road alignment.

The above changes and mitigation measures to the proposed action resulting from the on-site will be analyzed in Alternative C.

2.4 Alternatives Considered But Not Analyzed In Detail

Relocate the Proposed Action:

No other alternative pipeline route would have significantly fewer impacts than, or have a clear advantage over, the projected pipeline route. Therefore, the alternatives of changing the pipeline route involved in these action is not analyzed further in this EA.

3.0 Description of Affected Environment

This section describes the environment that would be affected by implementation of the alternatives described in Section 2. Aspects of the affected environment described in this section focus on the relevant major resources or issues. Certain critical environmental components require analysis under BLM policy. These items are included below in Table 3.0, found as the first page of this document. Following the table, only the aspects of the affected environment that are potentially impacted are described.

3.1 Air Quality

The areas of the proposed actions are considered Class II air quality areas. A Class II area allows moderate amounts air quality degradation. The primary sources of air pollution are dust from blowing wind on disturbed or exposed soil and exhaust emissions from motorized equipment.

3.2 Areas of Critical Environmental Concern (ACECs)

The proposed actions would not be located within any ACEC presently designated by the RMP.

3.3 Cultural Resources

A cultural inventory survey (BLM 06-R-063-A and 06-R-065-A) revealed no cultural resources in the areas of effect.

3.4 Native American Religious Concerns

A review of existing information indicates the proposed actions are outside any known Traditional Cultural Property.

3.5 Environmental Justice

Executive Order 12898 requires Federal agencies to assess projects to ensure there are no disproportionately high or adverse environmental, health or safety impacts on minority and low-income populations.

3.6 Farmlands, Prime or Unique - Not present

3.7 Floodplains - Not present

3.8 Invasive, Non-native Species

There are no known populations of invasive or noxious weed species on the proposed pipeline route that would follow the south side of the new access road until it reaches the tie in point on the George “QJ” Federal #10 well pad.

Infestations of noxious weeds can have a disastrous impact on biodiversity and natural ecosystems. Noxious weeds affect native plant species by out-competing native vegetation for light, water and soil nutrients. Noxious weeds cause estimated losses to producers $2 to $3 billion annually. These losses are attributed to: (1) Decreased quality of agricultural products due to high levels of competition from noxious weeds; (2) decreased quantity of agricultural products due to noxious weed infestations; and (3) costs to control and/or prevent the noxious weeds.

Further, noxious weeds can negatively affect livestock and dairy producers by making forage either unpalatable or toxic to livestock, thus decreasing livestock productivity and potentially increasing producers' feed and animal health care costs. Increased costs to operators are eventually borne by consumers.

Noxious weeds also affect recreational uses, and reduce realty values of both the directly influenced and adjacent properties.

Recent federal legislation has been enacted requiring state and county agencies to implement noxious weed control programs. Monies would be made available for these activities from the federal government, generated from the federal tax base. Therefore, all citizens and taxpayers of the United States are directly affected when noxious weed control prevention is not exercised.

3.9 Threatened or Endangered Species

Under Section 7 of the Endangered Species Act of 1973 (as amended), the BLM is required to consult with the U.S. Fish and Wildlife Service on any proposed action which may affect Federal listed threatened or endangered species or species proposed for listing. RFO reviewed and determined the proposed action is in compliance with listed species management guidelines outlined in the 1997 Biological Assessment (Cons. #2-22-96-F-102). No further consultation with the Service is required.

There are no known threatened or endangered species of plant or animals within the project area. The list of federal threatened, endangered and candidate species reviewed for this EA can be found in Appendix 11 of the Roswell Approved RMP (AP11-2).

3.10 Wastes, Hazardous or Solid - Not present

3.11 Water Quality – Surface/Ground

Surface water within the area is affected by geology, precipitation, and water erosion. Factors that currently affect surface water resources include livestock grazing management, oil and gas development, recreational use, and brush control treatments. No perennial surface water is found on public land in the area. Ephemeral surface water within the area may be located in tributaries, playas, alkali lakes and stock tanks.

Groundwater within the area is affected by geology and precipitation. Factors that currently affect groundwater resources in the area include livestock grazing management, oil and gas development, groundwater pumping, and possible impacts from brush control treatments. Most of the groundwater in the area is used for industrial, rural, domestic and livestock purposes.

3.12 Wetlands /Riparian Zones - Not present

3.13 General Topography/Surface Geology

The topographic characteristics and/or regional setting of the project area are:

The land areas of the proposed actions for the most part are on very flat ground on both wells with some small hummocky dunes scattered around and near the vicinity of the George "QJ" Federal #13.

3.14 Mineral Resources

Construction material (caliche/gravel) for surfacing the access road and well pad could be obtained by the operator from a private source.

3.15 Paleontology

This undertaking is unlikely to affect paleontological resources.

3.16 Soil

The ***Soil Survey of Chaves County, New Mexico, Northern Part (USDA Soil Conservation Service 1980)*** was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Hollomex, moist-Milner-Reeves, moist loams, 0 to 8 percent slopes (HRB) Permeability of the unit soil is moderate. Runoff of the unit soil is medium and the hazard of water erosion is moderate and the hazard of soil blowing is high.

Reeves, moist-Milner-Hollomex, moist association, 0 to 3 percent slopes (RNA) Permeability of the Reeves soil is moderate. Runoff of the Reeves soil is medium and the hazard of water erosion is moderate and the hazard of soil blowing is high. Permeability of the Milner soil moderate. Runoff of the Milner soil is medium and the hazard of water erosion is moderate and soil blowing is high.

3.17 Watershed – Hydrology

The watershed and hydrology in the area is affected by land and water use practices. The degree to which hydrologic processes are affected by land and water use depends on the location, extent, timing and the type of activity. Factors that currently cause short-lived alterations to the hydrologic regime in the area include livestock grazing management, recreational use activities, groundwater pumping and also oil and gas developments such as well pads, permanent roads, temporary roads, pipelines and powerlines.

3.18 Vegetation: (Grassland Plant Community)

This lease is within the grassland plant community as identified in the Roswell Resource Management Plan/Environmental Impact Statement (RMP/EIS). Appendix 11 of the Draft RMP/EIS describes the Desired Plant Community (DPC) concept and identifies the components of each community. The primary features in the GR community are topography influenced by aeolian and alluvial sedimentation on upland plains and valleys. The topography is flat to gently sloping and undulating. A proportion of shrubs, grass species and forbs comprise this plant community.

The Ecological Site Description for the well sites, access road and pipeline is CP-2 Loamy for both sites. (Pecos Canadian Plains and Valleys).

3.19 Livestock Grazing/Range

This allotment #64046 Cottonwood Ranch is permitted to Marie Haumont, HCR 31 Box 1139-A, Roswell, NM 88201. Permitted use is for 957 AUM's.

3.20 Wildlife

Wildlife species utilizing the areas for habitat include mule deer, pronghorn, coyote, fox, rabbits, kangaroo rats, pocket gophers, herptile species, as well as a variety of songbirds, dove, quail, and raptors.

3.21 Special Status Species

In accordance with BLM Manual 6840, BLM manages certain sensitive species not federally listed as threatened or endangered in order to prevent or reduce the need to list them as threatened or endangered in the future. Included in this category are State listed endangered species and Federal candidate species which receive no special protections under the Endangered Species Act. Special status species with potential to occur in the proposed project area are listed in Table 3.22.1.

There are no known special status species of plant or animals within the project areas.

3.22 Visual Resources

The proposed action is located within a designated VRM Class IV areas. The setting presents a winter gray setting and in warm months, with foliage, a gray to gray-green color pattern.

3.23 Recreation

The areas around the proposed action site is primarily used by recreational visitors engaged in hunting, caving, sight seeing, driving for pleasure, off-highway vehicle use, and other recreational activities. Non-recreation visitors include oil and gas industrial workers and ranchers.

No surface cave/karst features were observed in the immediate vicinity of the proposed action. However, the proposed action is located in the *High Karst Potential Area*.

3.24 Public Health and Safety

4.0 Environmental Consequences and Proposed Mitigation Measures

4.0.1 No Action Alternative

Under the No Action Alternative, the proposed pipeline would not be constructed. There would be no new impacts from oil and gas production to the resources. The No Action Alternative would result in the continuation of the current land and resource uses in the project area and is used as the baseline for comparison of alternatives.

4.0.2 Alternative B

Under Alternative B, the Proposed Action, the pipeline would constructed as originally proposed, without changes to reduce the potential impact to the environment. A summary of potential surface disturbance is presented in Table 4.0. Descriptions of potential impacts on individual resources for action alternatives is presented in the following text. Also described are mitigation measures that could be incorporated by the BLM where appropriate as Conditions of Approval attached to the permit. Because the action now incorporates changes, this alternative will not be evaluated further in Chapter 4.

4.0.3 Alternative C - Preferred Alternative

The surface pipeline construction will follow all the changes made when the new road was rerouted in concurrence with the allottee preference.

The proposed access road was re-routed on the George "QJ" Federal #12 well only. The rancher's preference was that the road should be a continuance from the existing road that accesses the George "QJ" Federal #10 well. The rancher does not want the Cottonwood County road opened up any more then it already is with a new access road, when the length of new road would be approximately the same length of new road construction if the operator would access the George "QJ" Federal #12 well from the existing well that already has a road built. The length of road construction would be approximately the same either way and the operator's regulatory agent did not see why it would make any difference if the road accessed the pad from the county road (north/south) or from the existing well (east/west). The change of road route was made at the onsite conference, to access the George "QJ" Federal #12 from the northwest corner of the George "QJ" Federal #10 well and the operator's regulatory agent agreed to utilize the existing access road. BLM does not have any problems with this new adjustment to the road route.

A summary of potential surface disturbance is presented in Table 4.0. Descriptions of potential impacts on individual resources for action alternatives is presented in the following text. Also described are mitigation measures that could be incorporated by the BLM where appropriate as Conditions of Approval attached to the permit. The changes to the proposed action which resulted in development of Alternative C as the preferred alternative have reduced the potential impact to the environment which will result from this action.

Table 4.0.4 Summary of Disturbance

Facility	Number or Miles	Acreage of Disturbance	Duration of Disturbance
Surface Pipeline New Disturbance	0.23	0.3	Short Term

Short-term impacts are those which can be stabilized or mitigated rapidly (within 5 years) Long-term impacts are those that would substantially remain for more than 5 years.

4.1 Air Quality

4.1.1 Direct and Indirect Impacts

Air quality would temporary be directly impacted with pollution from exhaust emissions, chemical odors, and dust that would be caused by the motorized equipment used to construct the pipeline. Dust dissemination would discontinue upon completion of the construction phase of the pipeline. Air pollution from the motorized equipment would discontinue at the completion of the pipeline construction. The winds that frequent the southeastern part of New Mexico generally disperse the odors and emissions. The impacts to air quality would be greatly reduced as the construction is completed. Other factors that currently affect air quality in the area include dust from livestock herding activities, dust from recreational use, and dust from use of roads for vehicular traffic.

4.1.2 Mitigation

The operator shall upon reclamation of the pipeline corridor, recontoured and seed the disturbed areas as described in the attached Conditions of Approval. Upon abandonment of the well and/or when the pipeline is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in the attached Conditions of Approval.

4.2 Areas of Critical Environmental Concern - Not present

4.3 Cultural Resources

4. 3.1 Direct and Indirect Impacts

There should be no direct and indirect impacts to cultural resources.

4.4 Native American Religious Concerns

4.4.1 Direct and Indirect Impacts

To date, the area to be affected by project construction has not been identified by interested tribes as being important to them.

4.5 Environmental Justice

4.5.1 Direct and Indirect Impacts

No minority or low income populations would be directly affected in the vicinity of the proposed action. Indirect impacts could include impacts due to overall employment opportunities related to the oil and gas and service support industry in the region, as well as the economic benefits to State and County governments related to royalty payments and severance taxes. Other impacts could include a small increase in activity and noise disturbance in areas used for grazing, wood gathering, or hunting. However, these impacts would apply to all public land users in the project area.

4.5.2 Mitigation None required.

4.6 Farmlands, Prime or Unique - NON-PRESENT

4.7 Floodplains - NON-PRESENT

4.8 Invasive, Non-native Species

4.8 .1 Direct and Indirect Impacts

The construction of the pipeline may unintentionally contribute to the establishment and spread of noxious weeds. Noxious weed seed could be carried to and from the project area by construction equipment, the trencher and transport vehicles. The main mechanism for seed dispersion on the pipeline corridor happens when equipment and vehicles used on the project were previously driven across or through noxious weed infested areas. The potential for the dissemination of invasive and noxious weed seed may be elevated by the use of construction equipment typically contracted out to companies that may be from other geographic areas in the region. Washing and decontaminating the equipment prior to transporting onto and exiting the construction areas would minimize this impact.

Impacts by noxious weeds will be minimized due to requirements for the company to eradicate the weeds upon discovery. Multiple applications may be required to effectively control the identified populations.

4.8 .2 Mitigation:

In the event noxious weeds are discovered during construction of the pipeline, measures will be taken to mitigate those impacts.

4.9 Threatened or Endangered Species - NON-PRESENT

4.10 Wastes, Hazardous or Solid - Non-present

4.11 Water Quality: Surface and Groundwater

4.11.1 Direct and Indirect Impacts

Surface disturbance from the construction of the pipeline, can result in degradation of surface water quality and groundwater quality from non-point source pollution, increased soil losses, and increased gully erosion.

Potential direct impacts that would occur due to construction of the pipeline include increased surface water runoff and off-site sedimentation brought about by soil disturbance: increased salt loading and water quality impairment of surface waters; channel morphology changes due to road crossings; and possible contamination of surface waters by produced water. The magnitude of these impacts to water resources would depend on the proximity of the disturbance to the drainage channel, slope aspect and gradient, degree and area of soil disturbance, soil character, duration and time within which construction activity would occur, and the timely implementation and success or failure of mitigation measures.

Direct impacts would likely be greatest shortly after the start of construction activities and would likely decrease in time due to natural stabilization, and reclamation efforts. Construction activities would occur over a relatively short period; therefore, the majority of the disturbance would be intense but short lived. Direct impacts to surface water quality would be minor, short-term impacts which may occur during storm flow events. Indirect impacts to water-quality related resources, such as fisheries, would not occur.

Petroleum products and other chemicals, accidentally leaks, could result in surface and groundwater contamination. Similarly, possible leaks from reserve and evaporation pits could degrade surface and ground water quality. Authorization of the proposed projects would require full compliance with BLM directives and stipulations that relate to surface and groundwater protection.

4.11.2 Mitigation

Leaks of produced fluids (e.g., saltwater, oil, and/or condensate in the event of a breech, overflow, or spill from storage tanks) could result in contamination of the soil onsite, or offsite, and may potentially impact surface and groundwater resources in the long term. The casing and cementing requirements imposed on the proposed well would reduce or eliminate the potential for groundwater contamination from drilling muds and other surface sources.

4.12 Wetlands/Riparian Zones - Not Present

4.13 Wild and Scenic Rivers - Not Present

4.14 Wilderness - Not Present

4.15 General Topography/Surface Geology

4.15.1 Direct and Indirect Impacts

The general topography of the project areas is very flat terrain. No, major land features exist that would be impacted by the project.

4.15.2 Mitigation

Land use would be minimized for the life of the well.

4.16 Mineral Resources

Operator can get the mineral material from a private source.

4.17 Paleontology - Non-present

4.18 Soil

4.18.1 Direct and Indirect Impacts

The construction of the pipeline along side the new access road would physically disturb about 0.3 acre (George "QJ" Federal Com. #12) of topsoil and would expose substratum soil. Direct impacts resulting from the construction of the pipeline include removal of vegetation, exposure of soil, mixing of horizons, compaction, loss of top soil productivity and susceptibility to wind and water erosion. Wind erosion would be expected to be a minor contributor to soil erosion with the possible exception of dust from vehicle traffic. These impacts could result in increased indirect impacts such as runoff, erosion and off-site sedimentation. Activities that could cause these types of indirect impacts include construction and operation of well sites, access roads, pipelines, and other facilities.

Contamination of soil from pipeline leaks or spilled fluids on the soil surfaces could cause a long term reduction in site productivity. Some of these direct impacts can be reduced or avoided through proper design, construction and maintenance and implementation of best management practices.

4.18.2 Mitigation

The impact to the soil would be remedied upon reclamation of the pipeline corridor when the disturbed areas are cultivated to provide a seedbed and vegetation re-establishes.

Pipeline constructions requirements and regular maintenance would alleviate potential impacts to the pipeline from water erosion damage.

4.19 Watershed - Hydrology

4.19.1 Direct and Indirect Impacts

Construction and surface disturbance activities from the construction of the pipeline can result in long term and short term alterations to the hydrologic regime. Peak flow and low flow of perennial streams, ephemeral, and intermittent rivers and streams would be directly affected by an increase in impervious surfaces resulting from the construction of the well pads and roads. The potential hydrologic effects to peak

flow is reduced infiltration where surface flows can move more quickly to perennial or ephemeral rivers and streams, causing peak flow to occur earlier and to be larger. Increased magnitude and volume of peak flow can cause bank erosion, channel widening, downward incision, and disconnection from the floodplain. The potential hydrologic effects to low flow is reduced surface storage and groundwater recharge, resulting in reduced baseflow to perennial, ephemeral, and intermittent rivers and streams. The direct impact would be that hydrologic processes may be altered where the perennial, ephemeral, and intermittent river and stream system responds by changing physical parameters, such as channel configuration. These changes may in turn impact chemical parameters and ultimately the aquatic ecosystem.

Long term direct and indirect impacts to the watershed and hydrology would continue for the life of the well and would decrease once the well is abandoned and reclamation of the pipeline has taken place. Short-term direct and indirect impacts to the watershed and hydrology from pipeline construction would diminish and would likely decrease in time due to reclamation efforts.

4.19.2 Mitigation

Upon abandonment of the well and/or when the pipeline is no longer in service the Authorized Officer shall issue instructions and/or orders for reclaim/restore the disturbed areas as described in the attached Conditions of Approval.

4.20 Vegetation

4.20.1 Direct and Indirect Impacts

The construction of the pipeline would remove about 0.3 acre (George "QJ" Federal Com. #12) of native vegetation. If the well is a producer, reclamation would not commence until the well is a depleted producer and is plugged and abandoned. Vegetative recovery on the pipeline would depend on the proper reclamation of the disturbed areas. Native vegetation would encroach on the pipeline corridor over time with only high traffic areas remaining unvegetated. If the well is drilled as a dry hole and is plugged, the pipeline would more than likely not be constructed for this well. Vegetative impacts would be short-term when the pipeline corridor re-vegetates within a few years, and reclamation of the disturbed areas are successful.

4.20.2 Mitigation:

No impact to vegetation is anticipated. However measures will be taken in the event impacts to vegetation are found.

4.21 Livestock Grazing/Range

4.21.1 Direct and Indirect Impacts

There would be some minor disruption of livestock grazing in the pasture, specifically during the construction phase of the pipeline. Vehicle traffic would increase in the area, which may lead to conflicts with livestock.

4.21.2 Mitigation:

Any impacts/conflicts with livestock, will be evaluated and mitigated at that time in coordination between the operator, rancher/allottee and authorized officer.

4.22 Special Status Species - None present

4.23 Wildlife

4.23.1 Direct and Indirect Impacts

Some small wildlife species may be killed and their dens or nests destroyed during construction of the pipeline. The construction of the pipeline could cause fragmentation of wildlife habitat. The short-term negative impact to wildlife would occur during the construction phase of the operations would be due to noise and habitat destruction. In general, most wildlife species would become habituated to the new facilities. For other wildlife species with a low tolerance to activities, the operations on the pipeline corridors would continue to displace wildlife from the areas due to ongoing disturbances such as vehicle traffic and equipment maintenance. Upon abandonment of the well, the areas of disturbance would revegetate and wildlife would return to previous levels.

4.23.2 Mitigation

Trench would not be left open for extended period of time to prevent wildlife from becoming trapped in trench. Surface blading of pipeline route may not be required to allow for a more rapid re-vegetation of the route. Backfill without excess scraping of topsoil or vegetation along the trench.

4.24 Recreation

Oil and gas activities would have little or no affect on the recreation al opportunities in this area. Recreation activities could occur within this area and are limited to access from state or county roads or through state land. This tract of land is accessible by Chaves County Roads.

The area is in a medium cave/karst potential with no cave features occurring within the area of proposed action.

4.24.1 Direct and Indirect Impacts

No impacts to recreation within this area.
No Impacts - No known Cave/Karst Features in the vicinity of the Proposed Action.

4.25 Visual Resources

4. 25.1 Direct and Indirect Impacts

Facilities, such as condensate and produced water or oil storage tanks that rise above eight feet, would provide a geometrically strong vertical and horizontal visual contrast in form and line to the characteristic landscape and vegetation, which have flat, horizontal to slightly rolling form and line. The construction of other ancillary facilities, would slightly modify the existing area visual resources. The proposed actions are located in an area designated VRM Class IV.

The objective of Class IV is to: “Provide for management activities which require major modification of the existing landscape character...Every attempt, however, should be made to reduce or eliminate activity impacts through careful location, minimal disturbance, and repeating the basic landscape elements.”

Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a gray-green to brownish color, the view is expected to favorably blend with the form,

line, color and texture of the existing landscape. The flat color Olive Drab, 18-0622 TPX from the supplemental environmental colors also closely approximates the brownish color of the setting. All facilities, including the meter building, would be painted this color.

Reasonable Foreseeable Impacts would be expected to occur in the proposed action area by the constant use by oil and gas industry in day to day operations. The landscape, line, color, and texture would be evident to the casual observer.

4.25.2 Mitigation

The flat color Olive Drab, 18-0622 TPX from the supplemental environmental colors also closely approximates the brownish color of the setting. All facilities, including the meter building, would be painted this color.

4.26 Public Health and Safety

4.26.1 Direct and Indirect Impacts

The construction and drilling operations will be conducted in a safe workman like manner and no impacts are anticipated to occur when the operations are conducted in a professional constructive manner.

4.26.2 Mitigation non-required

4.27 Cumulative Impacts

The leased area of the proposed action has been industrialized with oil and gas well development. The surface disturbance for each project that has been permitted has created a spreading out of land use fragmentation. The cumulative impacts fluctuate with the gradual reclamation of well abandonments and the creation of new additional surface disturbances in the construction of new access roads, well pads, and associated pipeline facilities. The on going process of restoration of abandonments and creating new disturbances for drilling new wells gradually accumulates as the minerals are extracted from the land. Preserving as much land as possible and applying appropriate mitigation measures will alleviate the cumulative impacts.

While it is likely that there will be no significant cumulative impact from the proposed actions, continued oil and gas development, and other surface-disturbing activities in these areas, may potentially have negative cumulative impacts on vegetation, soil, water, livestock, wildlife, and visual resources.

5.0 Consultation/Coordination

This section includes individuals or organizations from the public, public land users, the interdisciplinary team, and permittees that were contacted during the development of this document.

Table 5.1 Summary of Public Contacts Made During Preparation of Document and Interdisciplinary Team

Public Contact	Title	Organization	Present at Onsite?
Mrs. Debbie Caffal	Regulatory Agent	Yates Petroleum Corporation	present
John Haumont (son)	Surface Landowner	Rancher	present

Maria Haumont (mom)	Surface Landowner	Rancher	present
ID Team Member	Title - Staff	Organization BLM- RFO	Non Present at Onsite

6.1 References

U.S. Department of the Interior, Bureau of Land Management. January 1997, *Proposed Resource Management Plan and Final Environmental Impact Statement*. Roswell, New Mexico.

U.S. Department of the Interior, Bureau of Land Management. October 10,1997, *Resource Management Plan Record of Decision*. Roswell, New Mexico.

6.0 Appendices

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN THE ROSWELL FIELD OFFICE, BLM

6.1.1 APD, complete with all attachments

6.1.2 Authorities

Code of Federal Regulations (CFR)
40 CFR All Parts and Sections inclusive Protection of Environment, Revised as of July 1, 2001.
43 CFR, All Parts and Sections inclusive - Public Lands: Interior. Revised as of October 1, 2000.
U.S. Department of the Interior, Bureau of Land Management and Office of the Solicitor (editors). 2001. The Federal Land Policy and Management Act, as amended. Public Law 94-579.

6.1.3 Other Supporting Information

EXHIBIT F

ROSWELL FIELD OFFICE
BLM Serial Number: NM-10588
Company Name: Yates Petroleum Corporation
Well Name and Number: George "QJ" Federal Com. #12

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN THE ROSWELL FIELD OFFICE, BLM

A. THE APD AND/OR THE SUNDRY NOTICE WAS USED FOR THE ON-LEASE SURFACE PIPELINE CONSTRUCTION.

1. The APD and/or Sundry Notice And Report On Wells can act, to the extent possible, as an application for the on-lease construction of the surface pipeline on Federal surface lands. In combination with the approved APD, the following standard terms and conditions are hereby attached to the APD/SN on-lease authorization.

B. The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The BLM shall administer compliance and monitor construction of the pipeline. Notify **Richard G. Hill** at least **3** working days (72 Hours) prior to commencing construction of the pipeline. Roswell Field Office number **(505) 627-0247**.

2. PIPELINE CONSTRUCTION:

A.) The entire pipeline (1200 feet) shall be laid on the surface within a maximum disturbance width of 14 feet.

B.) The 3 inch polyethylene pipeline shall parallel the new access road on the south side of the road until the pipeline turns south and is placed on the east side of the George "QJ" Federal #10 well pad

C.) The pipeline centerline shall not exceed 25 feet from the centerline of the new access road.

D.) The holder shall bury the pipeline in a trench 46 inches deep under all existing access roads.

E.) The operations shall be contained within the perimeters of the archaeological surveyed areas.

3. All construction and maintenance activity shall be confined within the authorized pipeline corridor width of 14 feet.

4. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

5. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or duney areas, the pipeline will be "snaked" around hummocks and dunes rather than suspending the pipeline across these features.

6. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under the Sundry Notice approval for construction of a surface pipeline.

7. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 *et seq*. (1982) with regards to any toxic substances that are used, generated by or stored on the pipeline corridor or on facilities authorized under this approval. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

8. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq*. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq*.) on the pipeline corridor (unless the release or threatened release is wholly unrelated to the holder's activity on the pipeline corridor), or resulting from other activities of the holder on the pipeline corridor. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

9. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.l-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipeline rupture, fire, or spills caused or substantially aggravated by any of the following within the pipeline corridor or permit area:

a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

b. Activities of other parties including, but not limited to:

(l) Land clearing.
(2) Earth-disturbing and earth-moving work.
(3) Blasting.
(4) Vandalism and sabotage.

c. Acts of God.

1. The maximum limitation for such strict liability damages shall not exceed one million dollars ($l,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

2. This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

10. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any gas, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal land, the control and total removal, disposal, and cleaning up of such gas, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal land, or to repair all damages resulting therefrom, on the Federal land, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

11. The holder shall minimize disturbance to existing fences and other improvements on public land. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

12. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

13. Excluding the pipe, all above-ground structures (e.g. meterhousing, heater/treater, etc.) not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Supplemental Environmental Colors **"Olive Drab 18-0622 TPX (Colors derived from "PANTONE" FOR Architecture and Interiors Color Guide** designated by the Rocky Mountain Five State Interagency Committee.

14. The pipeline will be identified by signs at the point of origin and completion of the pipeline and at all road crossings. At a minimum, signs will state the holder's name, BLM leaser number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

16. The reclaimed area(s) shall be seeded with the seed mixture that was determined by the Roswell Field Office for the Desired Plant Community on this well site.

17. The planting of the seed shall be done in accordance with the following seeding requirements:

a. Wherever soil disturbances occur on the pipeline corridor the topsoil soil shall be plowed under with soil turning equipment and the plowed surface shall be disked before seeding. Seed shall be planted using a drill equipped planter with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. Smaller/heavier seed has a tendency to drop to the bottom of the drill and is planted first; the holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled.

b. The holder shall seed all the disturbed areas with the DPC seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed per acre, (Pounds of pure live seed per acre: pounds of seed X percent purity X percent germination = pounds pure live seed). There shall be no primary or secondary noxious weeds in the seed mixture.

In accordance with State law(s) the seed should be tested for purity and viability within nine (9) months prior to sell. Commercial seed shall be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and the certified seed tag shall be made available for inspection by the Authorized Officer.

c. Desired Plant Community seed mixture to be planted in pounds of pure live seed per acre:

Alama silt loam, dry, 0-3% Slope; Hollomex loam, 1-9% slope, dry; Reeves loam, 0-2% slope, dry; Milner loam, 0-2% slope, dry

Loamy, SD-3 Ecological Site; Loamy CP-2; Gyp Upland CP-2

Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Blue grama, var. Lovington	(*Bouteloua gracilis)*	4.00
Sideoats grama, var. Vaughn or El Reno	(*Bouteloua curtipendula)*	1.00
Sand dropseed	(*Sporobolus cryptandrus)*	0.50
Vine mesquite	(*Panicum obtusum)*	1.00
Plains bristlegrass	(*Setaria macrostachya)*	1.00
Indian blanketflower	(*Gaillardia aristata)*	0.5
Desert or Scarlet Globemallow	(*Sphaeralcea ambigua*) or (S. coccinea)	1.00
Annual sunflower	*(Helianthus annuus)*	0.75
TOTAL POUNDS PURE LIVE SEED PER ACRE		9.75

d. If one species is not available, increase ALL others proportionately. The seed mixture shall be certified weed free seed. A minimum of 4 species is required, including 1 forb species.

e. The recommended time to seed is from June 15th through September 15th. The optimum seeding time is in mid-July. Successive seeding should be done either late in the fall (Sept. 15th - Nov. 15th, before freeze up) or early as possible the following spring to take advantage of available ground moisture. However, the holder may seed immediately after completing surface pipeline construction.

f. The seeding of the disturbed areas shall be repeated until a vegetative thicket is established on the pipeline disturbance areas. The Authorized Officer shall make the determination when the regrowth on the disturbed areas is satisfactory.

g. The holder shall be responsible for the establishment of vegetation on the pipeline corridor. Evaluation of vegetative growth will not be made before the completion of the first growing season after seeding. The Authorized Officer reserves the right to require reseeding at a specific time if seed does not germinate after one growing season. Waiver of this requirement would be considered if diligent attempts to revegetate the disturbed areas have failed and the Authorized Officer determines that further attempts to replant the pipeline corridor are futile.

h. Contact Mr. Randy Legler at (505) 627-0215 to witness the seeding operations, two (2) days prior to seeding the disturbed areas.

i. Invasive and Noxious Weeds Requirement:

1. The holder shall be held responsible if noxious weeds become established within the reclaimed areas. Evaluation of the growth of noxious weeds shall be made upon discovery. Weed control will be required on the disturbed land where noxious weeds exist, which includes the road, pad, associated pipeline corridor/routes, and adjacent land affected by the establishment of weeds due to this action. The holder is responsible for consultation with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policy.

2. The holder shall insure that the equipment and or vehicles that will be used to reclaim the pipeline corridor are not polluted with invasive and noxious weed seed. Transporting of invasive and noxious weed seed could occur if the equipment and vehicles were previously used in noxious weed infested areas. In order to prevent the spread of noxious weeds, the Authorized Officer shall require that the equipment and vehicles be cleaned with either high pressure water or air prior to reclamation of the pipeline corridor.